

Snell & Wilmer
LLP
LAW OFFICES

One Arizona Center
400 East Van Buren Street
Suite 1900
Phoenix, Arizona 85004-2202
602.382.6000
602.382.6070 (Fax)
www.swlaw.com

Bradley S. Carroll
Counsel
602.382.6578
bcarroll@swlaw.com

VIA HAND DELIVERY

Brian Bozzo, Compliance Manager
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Re: Compliance Filing of Sulphur Springs Valley Electric Cooperative, Inc.
Docket No: E-01575A-03-0465
Decision Nos: 64645, 66177, and 68849
Compliance Due Date: February 15, 2011

Dear Mr. Bozzo:

Pursuant to Arizona Corporation Commission ("Commission") Decision Nos. 64645, 66177, and 68849 (collectively the "TOU Decisions") in the above-referenced dockets, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative") hereby submits the following information and, for the reasons set forth herein, requests that the Commission treat the compliance obligations as fulfilled in connection with the TOU Decisions.¹

On March 25, 2002, the Commission issued Decision No. 64646 in Docket No. E-01575A-02-0338 in connection with approval of revisions to three (3) of SSVEC's experimental tariffs: Schedule GT (General Services and Small Power Time of Use), Schedule RT (Residential Time of Use), and Schedule PT (General Power Service Time of Use) (collectively "TOU Tariffs"). In Decision No. 64645, the Commission approved the revisions to the TOU Tariffs, ordered that the TOU Tariffs remain experimental, and further ordered that:

SSVEC file annual reports that provide information on how many customers are taking service under these tariffs, how much those customers have saved relative to SSVEC's non-time-of-use rates for the same class of service, and how these tariffs have provided benefit to

¹ SSVEC received a Notice of Future Compliance dated February 1, 2011, wherein the Commission's records reflected that SSVEC still had February 15 compliance obligations pursuant to the TOU Decisions.

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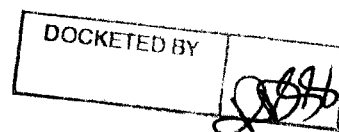


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Brian Bozzo
February 10, 2011
Page 2

SSVEC. These reports shall be filed each February 15 for the previous calendar year.²

On July 8, 2003, SSVEC filed further revisions to the TOU Tariffs and on August 13, 2003, the Commission issued Decision No. 66177. Consistent with the Commissions prior Decision No. 64645, the Commission approved the revisions to the TOU Tariffs, ordered that the TOU Tariffs remain experimental, and further ordered that the Cooperative continue to make the February 15 compliance filing.

On July 28, 2006, the Commission issued Decision No. 68849. This Decision essentially modified the prior two Commission TOU Decisions by making the TOU Tariffs permanent (as opposed to experimental) and ordered that SSVEC continue its annual compliance filing in 2007 and 2008 for the prior calendar year.³ Accordingly, SSVEC was not required to continue making annual compliance filings pursuant to the TOU Decisions after February 15, 2008. Notwithstanding, SSVEC voluntarily continued to make compliance filings pursuant to the TOU Decisions in 2009 and 2010.

On September 8, 2009, the Commission issued Decision No. 71274 in Docket No. E-01575A-08-0328 ("Rate Case Decision") in which the Commission replaced the TOU Tariffs (which were the subject of the annual compliance filings) with new TOU rates and ordered similar annual compliance filings which the Commission now requires to be made in September of each year.

Following the issuance of the Rate Case Decision, in its February 17, 2010, voluntary compliance filings pursuant to the TOU Decisions, SSVEC stated the following:

The Decision[s] are for rates that are no longer used and have been replaced by the 2009 rate case. SSVEC respectfully requests that this be our last report for this Decision. The TOU rates in the 2009 rate case have a similar reporting requirement.⁴

As discussed above, SSVEC's obligations to make annual compliance filings pursuant to the TOU Decisions ceased on February 15, 2008, per Decision No. 68849. Moreover, SSVEC's TOU Tariffs and associated reporting requirements were modified in the Cooperative's last rate case in Decision No. 71274. Accordingly, SSVEC is no longer required to make annual compliance filings on February 15 per the TOU Decisions.

² Decision No. 64645 at page 6, lines 1-4.

³ See Decision No. 68849 at page 6, lines 1-2.

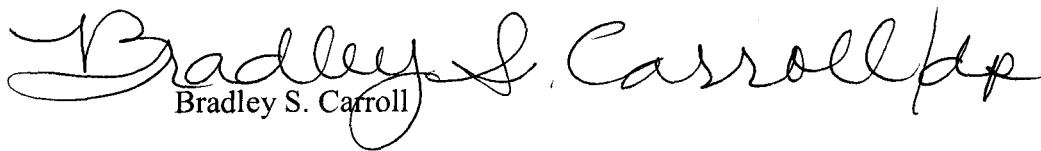
⁴ Emphasis added.

Brian Bozzo
February 10, 2011
Page 3

If you have any questions, please do not hesitate to contact me or David Bane at SSVEC
at 520-515-3472

Very truly yours,

SNELL & WILMER


Bradley S. Carroll

BSC/dcp

cc: Docket Control (Original plus 13 copies)
Jack Blair (SSVEC)
David Bane (SSVEC)